



# CITY OF FALLS CHURCH Capital Improvements Program

**FISCAL YEARS  
2015-2019**



Submitted to the City of Falls Church Planning Commission  
By the Assistant City Manager  
February 3, 2014



CITY OF FALLS CHURCH



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# City of Falls Church Capital Improvements Program Fiscal Year 2015 – 2019

**Submitted to the City of Falls Church  
Planning Commission  
by the Assistant City Manager**

**February 3, 2014**



# Agenda

- **CIP Overview & Format (Tab 1)**
- **Key Issues (Tab 1)**
- **Process & Schedule (Tab 1)**
- **Financial Status & Policies (Tab 2)**
- **Summary & Fiscal Projection (Tab 3)**
- **Projects Review (Tabs 4-10)**
- **PC work sessions: key issues**
- **Questions/Comments**

# CIP Format

- **Binder Notebook**
  - Tabbed & page numbered
    - Replacement pages with revision dates as needed
  - Financial policies & information in Tab 2
- **Funding Sources**
  - Color coded and/or italicized
  - Available funding for multi-year projects
- **Projects**
  - Organized by function versus agency
  - Integrates all facilities for master planning
  - “Modified” requests noted on summary



# Schedule

- **February 3 - Planning Commission presentation and public hearing**
  - Financial overview/ policies
  - Projects overview
  - Key issues
- **February 3 - Planning Commission Work Session**
  - Focus: Financial planning and policy review
  - Focus: Facilities
  - Determine additional work session needs
- **February 18 - Planning Commission Work Session**
  - Focus: Transportation, Parks, Open space
  - Follow up questions/issues from 2/3
- **March 3 - Planning Commission public hearing and recommendation adoption**

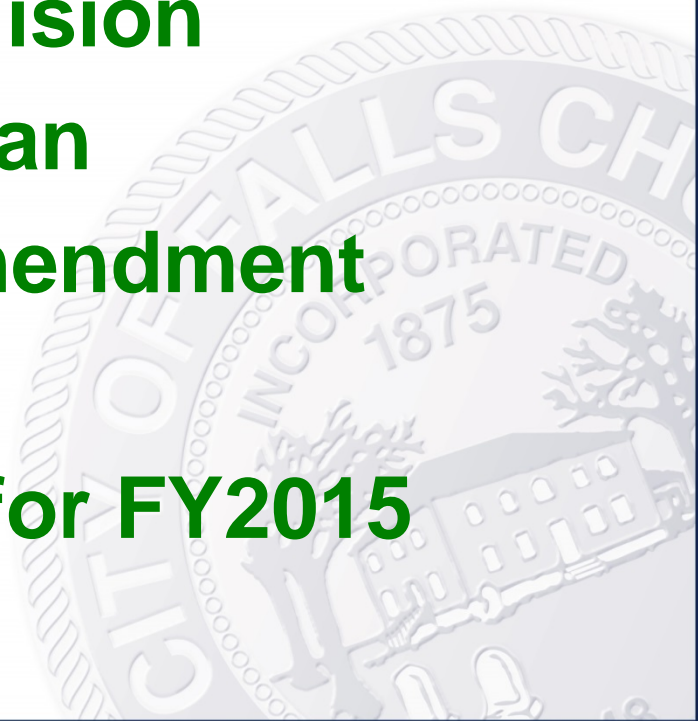
# City Council Vision



# **Policy Compliance & Consistency**

**Proposed projects are compliant with:**

- **2012 Council Updated Vision**
- **2005 Comprehensive Plan**
- **2007 Transportation Amendment**
- **2011 Financial Policies**
- **2013 Budget Guidance for FY2015**



# Financial Challenges & Opportunities

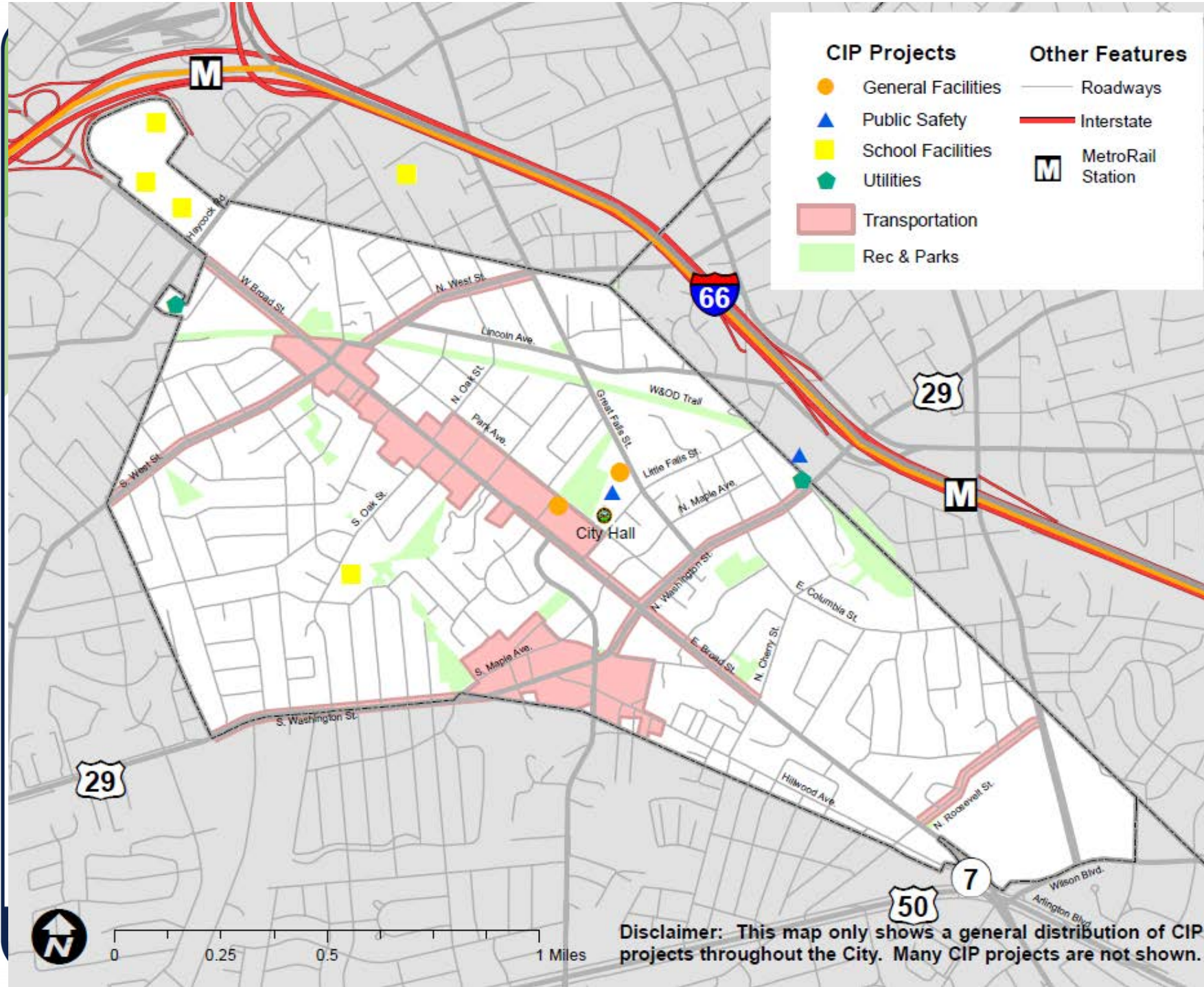
- **Council guidance specifies capital investment**
- **Infrastructure prioritization critical**
- **Financial feasibility & affordability critical**
  - Policy compliance & balanced operating budget
  - Debt service doubles over historical average
- **Multi-year master plan with major facility projects**
  - Referendum required- 4 projects over 5-years
- **Proposed CIP uses one-time cash resources**
  - Long-term need: tax base funding
  - School financing plans, library building fund



# Project Management Challenges and Opportunities

- **Ambitious proposed CIP responsive to:**
  - Council budget guidance
  - Boards, Commissions, community identified needs
- **Facilities**
  - Significant pent up demand for reinvestment
  - Cannot run all projects concurrently
- **Transportation projects right-sized to staffing**
  - Two current projects delayed, grant funding risk
  - New funding delayed implementation without additional staff

# FY2015-2019 CIP Project Distribution



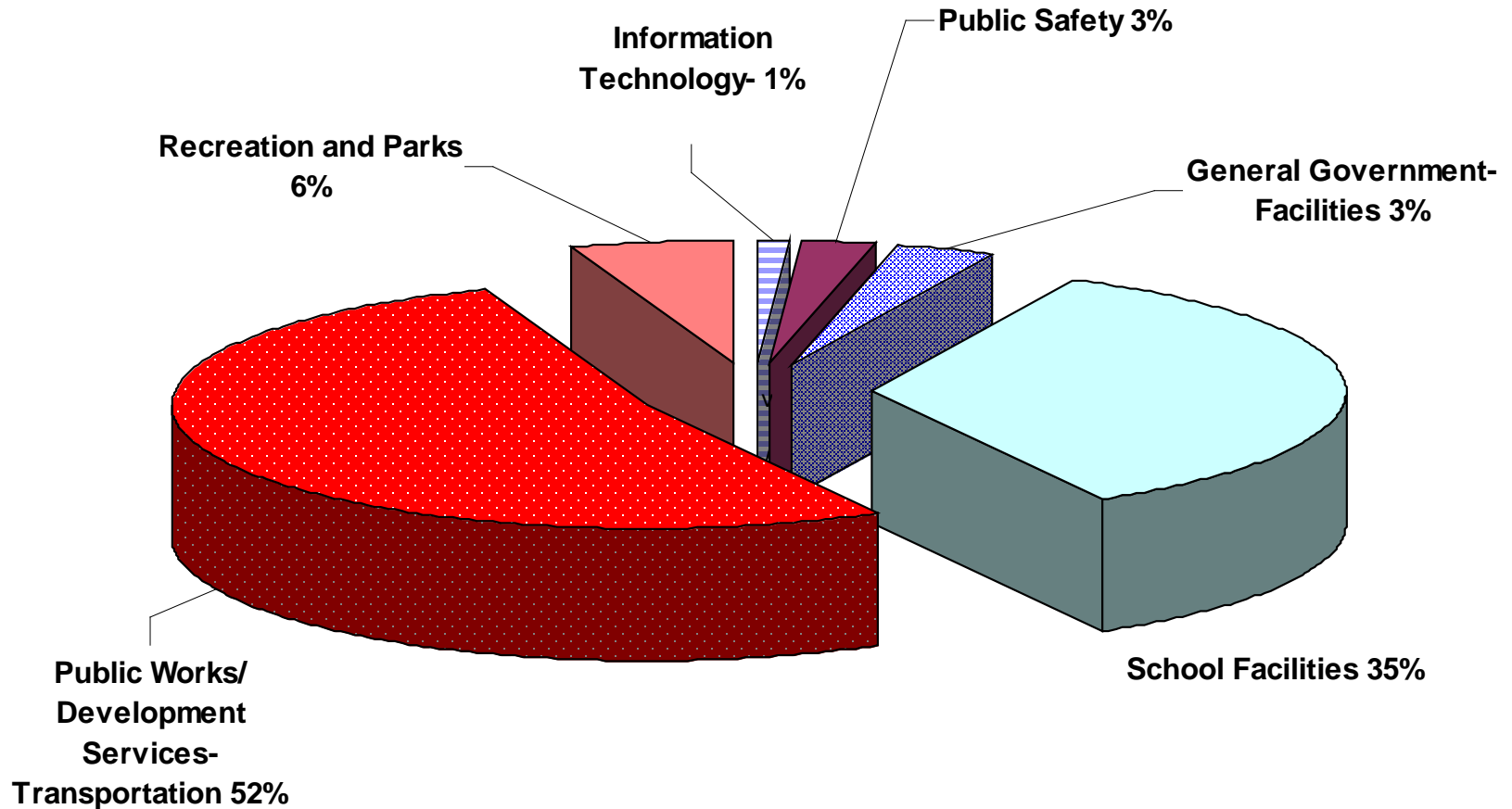
# Utilities Overview

CIP PROJECTS – UTILITY FUND**	FY2015	Five Year Project
STORMWATER	1,160,000	5,442,002
SEWER	909,284	15,561,420
TOTAL UTILITY FUND**	2,069,284	21,003,422
**self-sustaining, revenue based on sewer rate study & storm water estimates		

# General/ Transportation Funds Overview

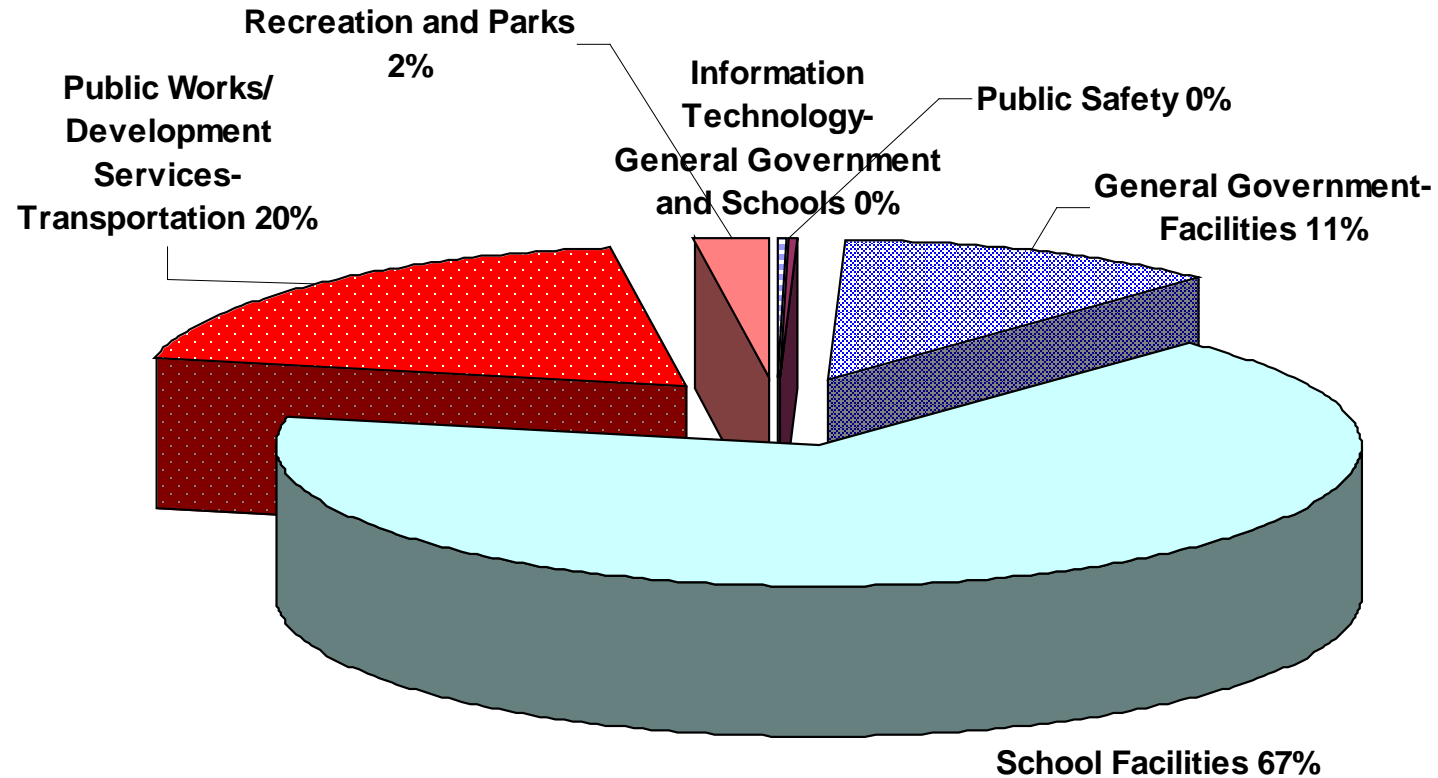
CIP PROJECTS – GENERAL FUND	FY2015	Five Year Project
INFORMATION TECHNOLOGY	270,000	270,000
PUBLIC SAFETY	550,000	5,500,000
PUBLIC FACILITIES	8,752,000	142,342,000
ENVIRONMENT (see Stormwater utility)	0	0
TRANSPORTATION	11,948,811	35,899,811
RECREATION & PARKS (Jnt turf/track)	1,275,000	3,883,000
<b>TOTAL GENERAL FUND*</b>	<b>22,795,811</b>	<b>182,944,811</b>

## Capital Improvements Program General Fund FY2015 (All Funding Sources)





## Capital Improvements Program General Fund FY2015-FY2019 (All Funding Sources)



# General Fund Summary

	FY2015	FY2016	FY2017	FY2018	FY2019	5- year Project Totals
<b>Grant/Other Funded</b>	0	0	0	0	0	0
<b>Total Debt Financed</b>	9,895,000	10,100,000	1,348,000	11,980,000	4,490,000	37,813,000
<b>Only if new revenue offset</b>	0	0	0	1,000,000	0	1,000,000
<b>Total PAUG Financed</b>	952,000	550,000	350,000	750,000	550,000	3,152,000
<b>Library Capital Building Fund</b>				10,000	10,000	20,000
<b>School Financing Plan</b>	0	99,500,000	5,560,000	0	0	105,060,000
<b>TOTAL GEN FUND SOURCES</b>	10,847,000	110,150,000	7,258,000	13,740,000	5,050,000	147,045,000

# Transportation Fund Summary

	FY2015	FY2016	FY2017	FY2018	FY2019	5- year Project Totals
<b>Grant/Other Funded</b>	3,165,000	1,208,000	1,232,000	620,000	355,000	6,580,000
<i><b>Total Debt Financed</b></i>	600,000	800,000	800,000	800,000	800,000	3,800,000
<b>Only if new revenue offset</b>	3,120,000	3,119,000	3,425,000	6,447,000	4,190,000	20,301,000
<b>Transportation Reprogram</b>	4,263,811	0	0	0	0	4,263,811
<b>Total PAUG Financed</b>	800,000	95,000	20,000	20,000	20,000	955,000
<b>TOTAL TRANS FUND SOURCES</b>	11,948,811	5,222,000	5,477,000	7,887,000	5,365,000	35,899,811

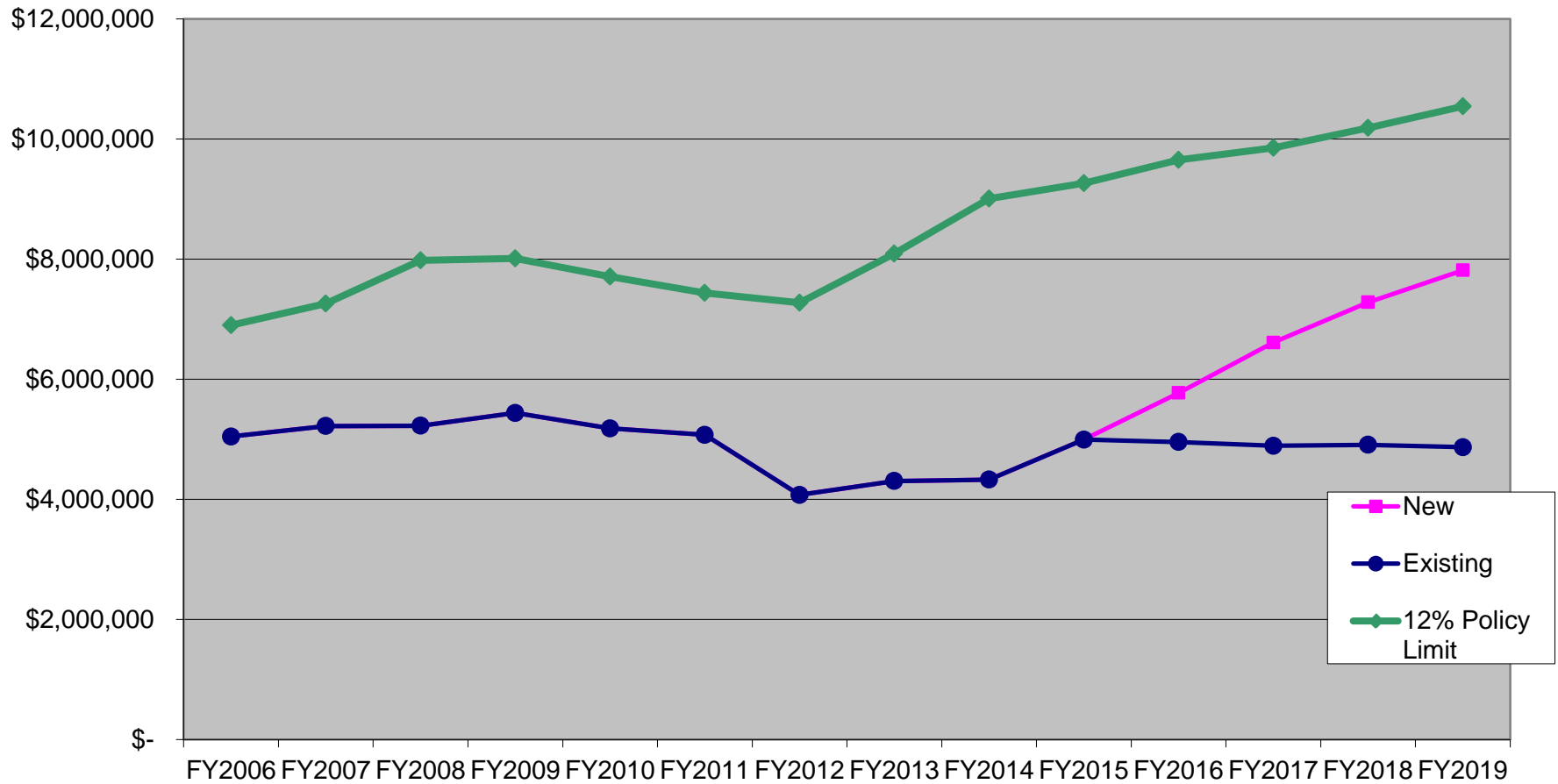
# Impact of Proposed FY2015 CIP on City Debt Policies

- **Debt policies**

(Note: utility funds have applicable financial policies)

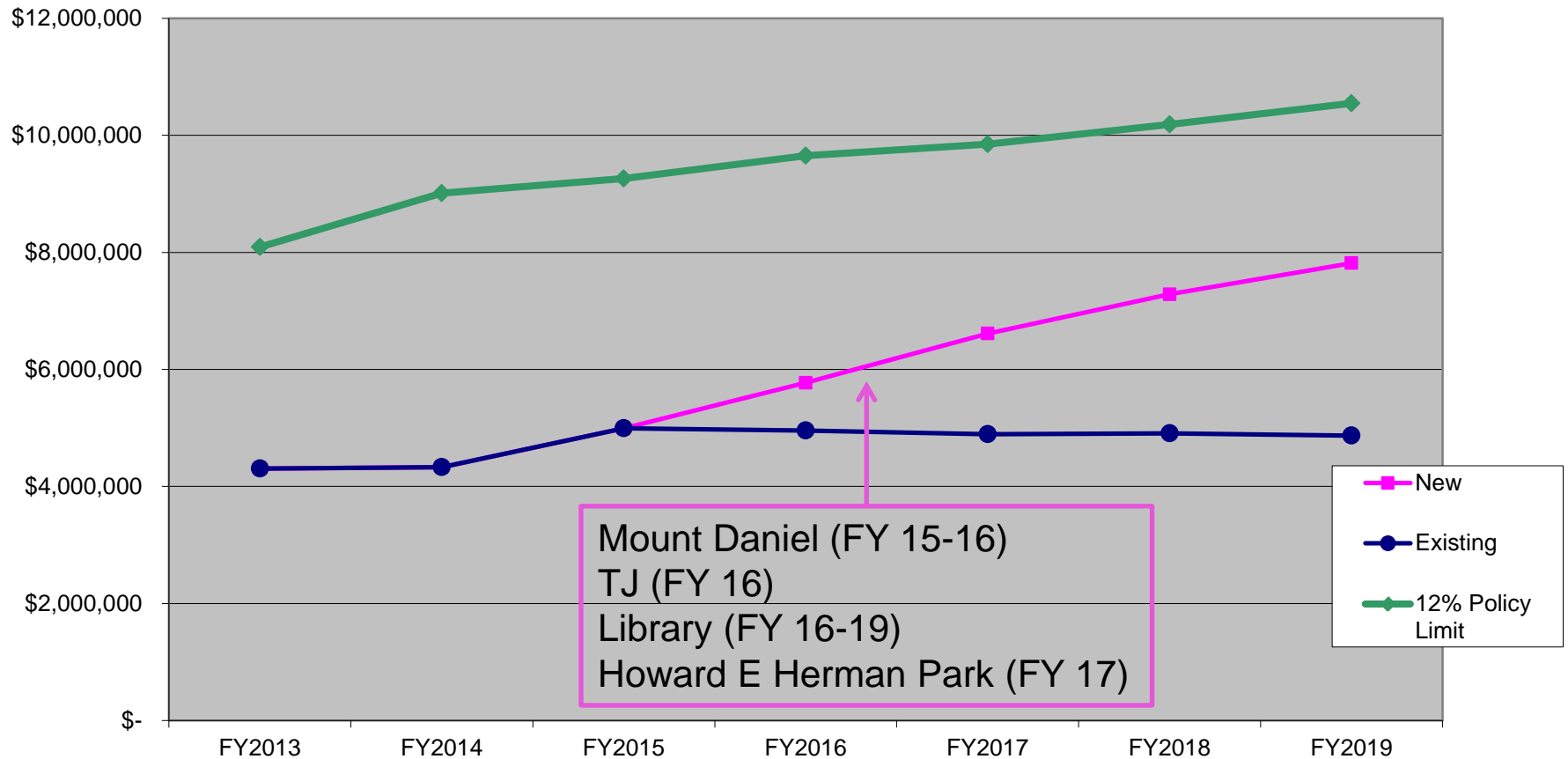
- Total outstanding debt not to exceed 5% of value of taxable real estate
- Annual debt service shall not exceed 12% of governmental expenditures
- At least 25% of total debt will be repaid within five years and at least 50% of total debt within ten years
- Proposed CIP does not reach maximum 12%; **must consider operating budget and repayment requirements of large facility projects**

**Debt Service As Percentage of Expenditures  
FY2006-FY2019  
Policy Maximum of 12%**

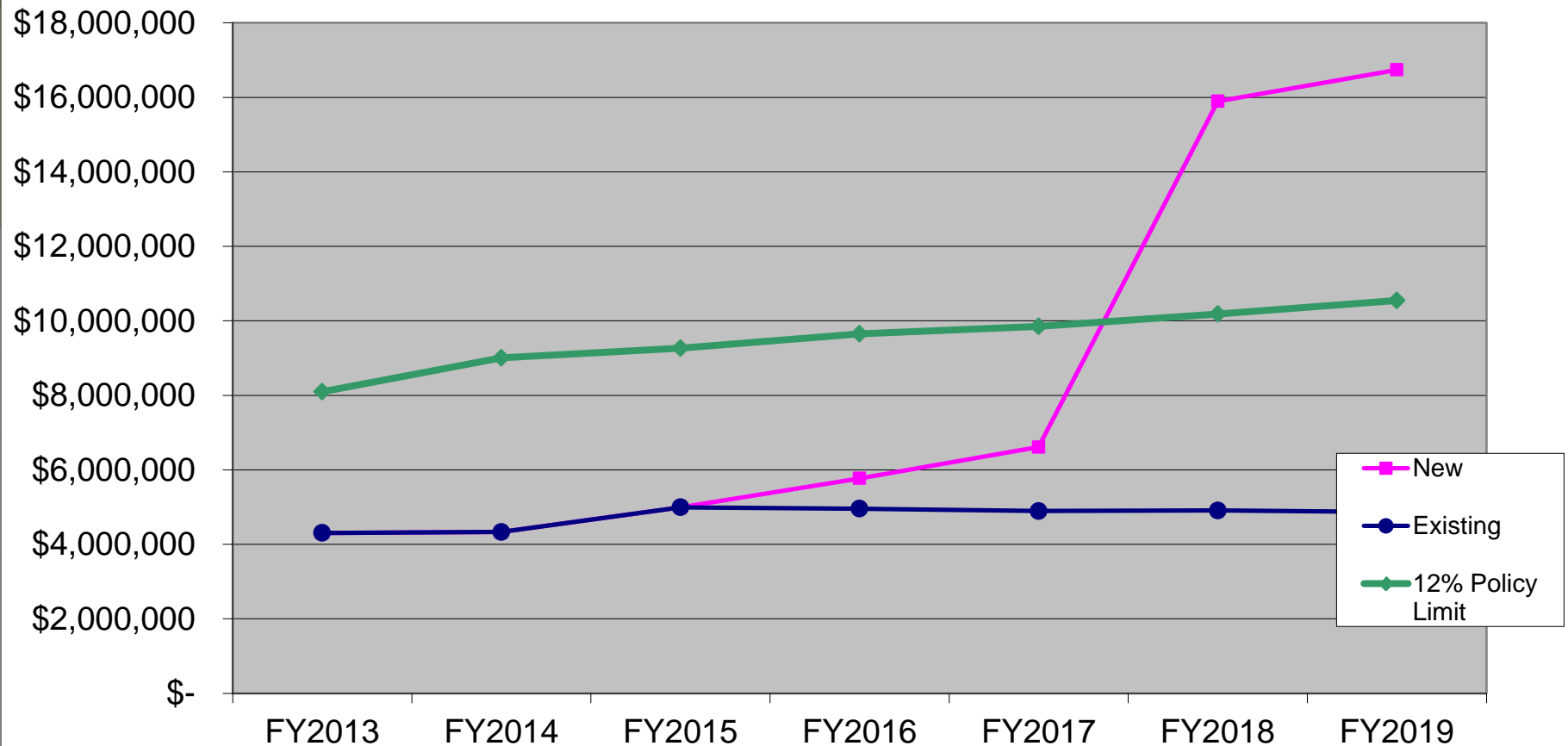




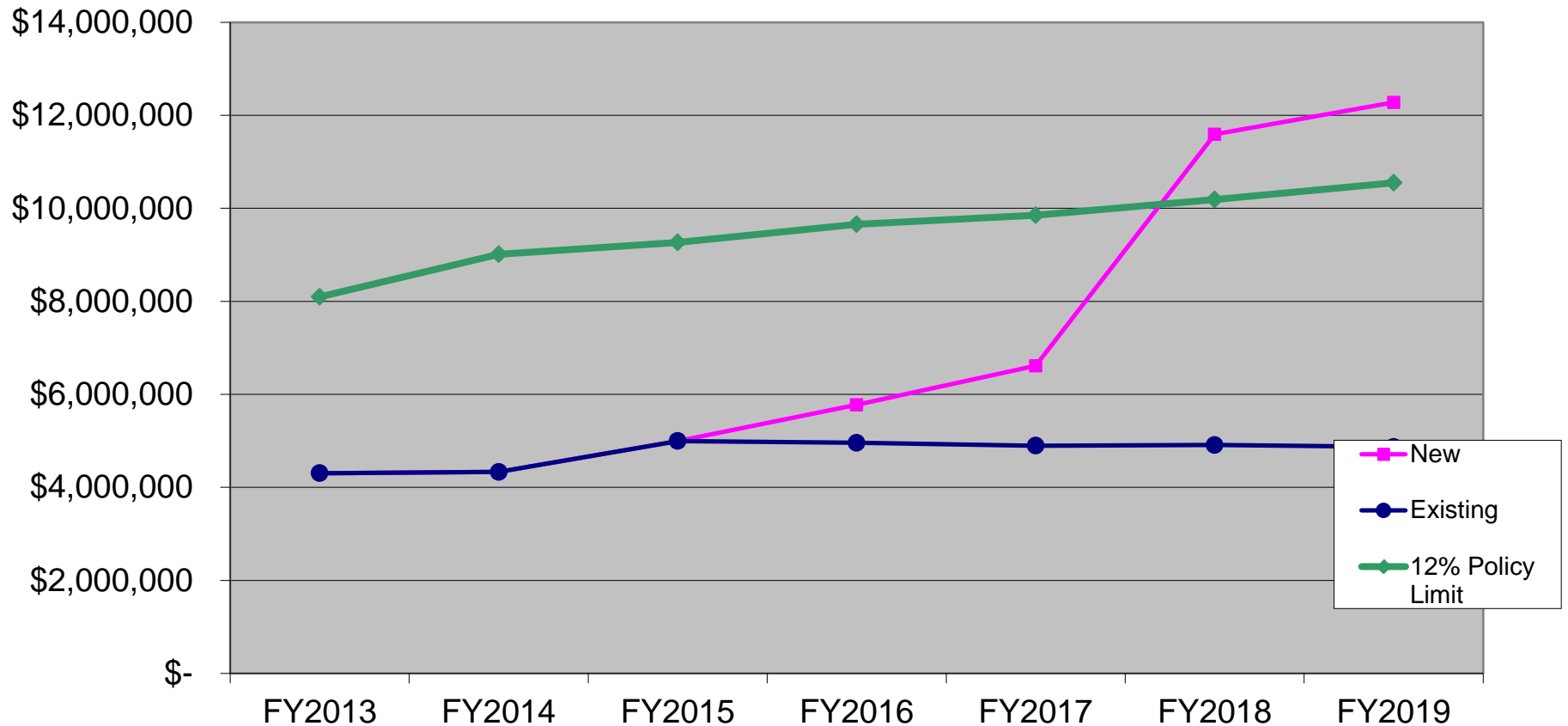
# Debt Service As Percentage of Expenditures FY2013-FY2019 Policy Maximum of 12%



**Debt Service As Percentage of Expenditures  
FY2013-FY201, GMHS & MEHMS Bonded at 100%  
Policy Maximum of 12%**



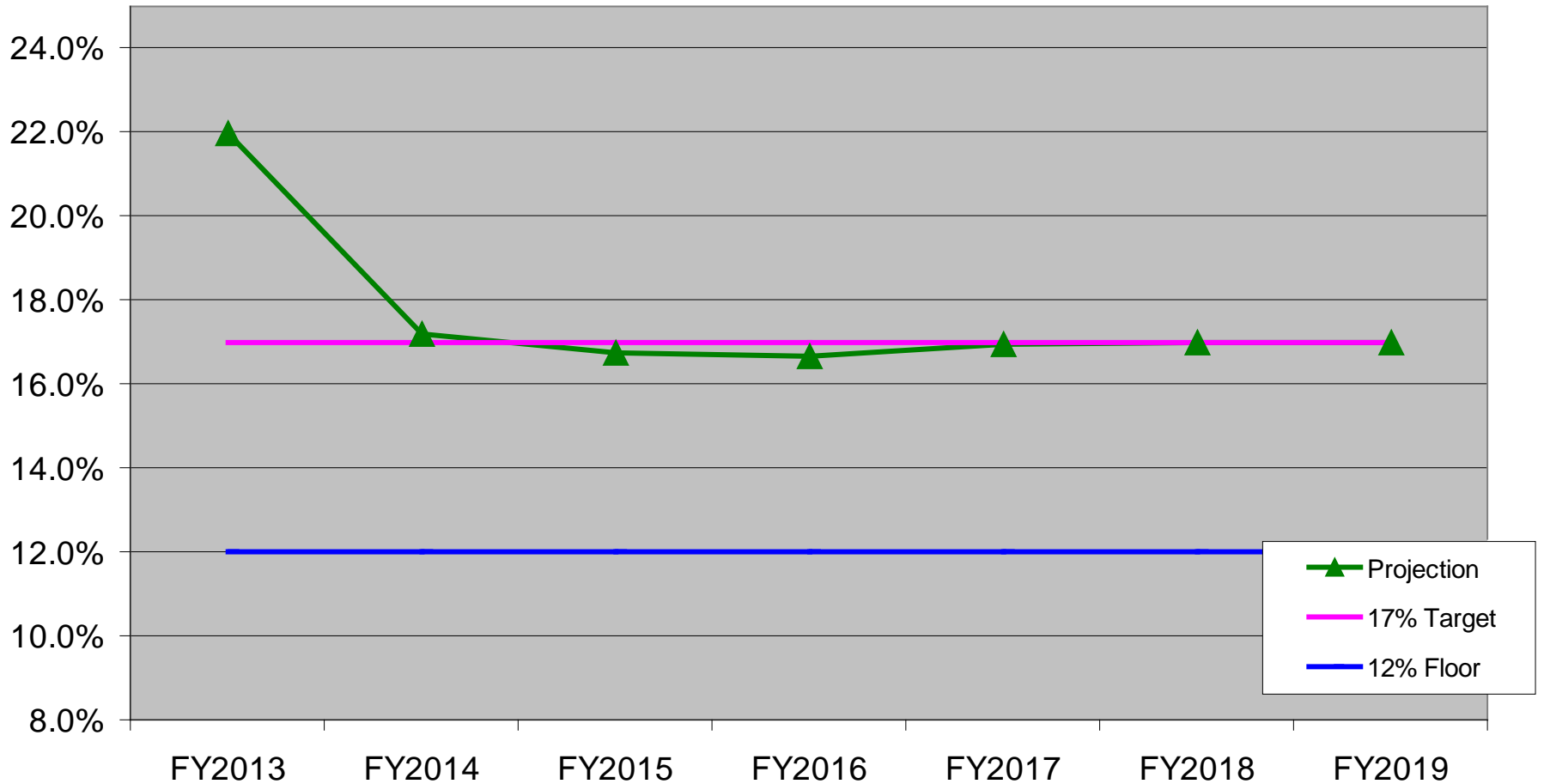
**Debt Service As Percentage of Expenditures  
FY2013-FY2019, GMHS & MEHMS Bonded at 50%  
Policy Maximum of 12%**



# Impact on Unassigned Reserve Fund Balance (FB) Policies

- **Maintain Unassigned FB range 17% of general fund expenditure**  
(Note: utility funds have applicable financial policies)
  - Target 17% (aka 2 months savings); no less than 12%
  - If under 12% requires 2-year mitigation plan to regain floor
  - If less than 17% but above 12% requires 3-FY recovery plan
  - Full recovery within 5-years of the event occurring
- **Fiscal constraints require new approaches**
  - Fund Balance stabilized
  - Capital Reserve FB policy
    - 5% of fixed assets or \$3.75M floor by 2021
    - \$500K/year until goal then \$375K/year; if below/ restore in 3 years
    - Used for FY15-19 CIP
- **In addition to PAUG funds in excess of 17%, once all policies are achieved, may only be designated for one time capital expenses**

**Projected Reserve Balance Ratios  
(Reserves/Expenditures)  
FY2013-FY2019**

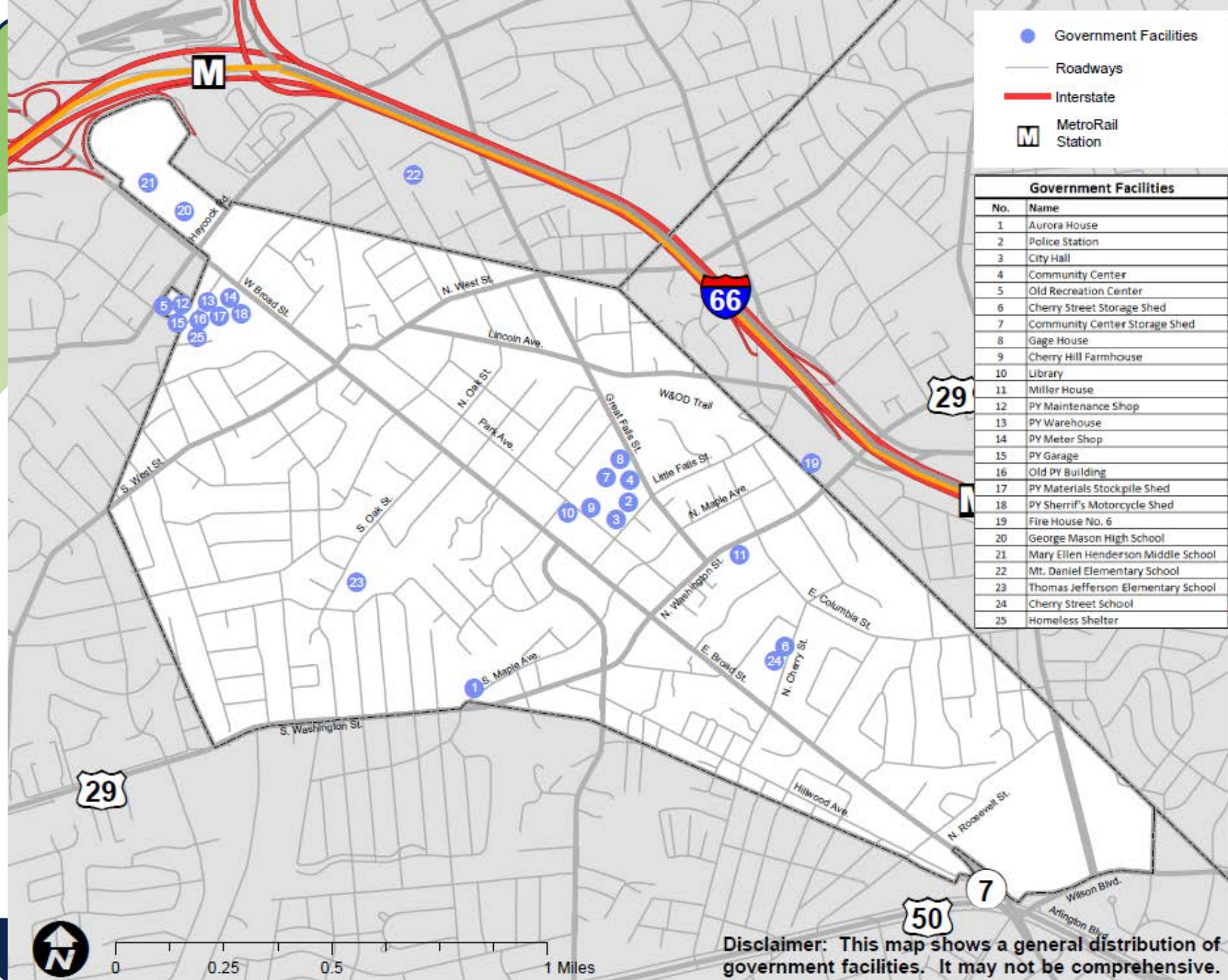




# 5-Year Policy Projection Recommended

5-Year Projection	FY14 Amen	FY15 proj.	FY16 proj.	FY17 proj.	FY18 proj.	FY19 proj.
<b>FB Ratio Target</b> (≥17% of exp) *used excess for CIP	17.2%*	16.7%	16.7%	17.0%	17.0%	17.0%
<b>Debt Service Ratio Goal</b> (≤12% of exp)	5.8%	6.5%	7.2%	8.1%	8.6%	8.9%

# FY2015-2019 CIP Government Facilities











# **Key Policy Discussion: Facilities/General Government.**

- **Long-term Facility Master Plan developed**
- **General Government Facility Reinvestment**
  - Critical health and safety/ mechanical systems
- **City Hall/Public Safety Improvements**
  - Reconfigured for cost effective/smaller scale
  - 4 Projects: renovations, central entrance, rear operations, city hall campus parking
  - Funding approved; 20% concept required
- **Library Expansion (timing modified)**
  - Library Board requested \$18.6M, rebuild new option
  - Completed facility space & program needs
  - Referendum required (FY15 for start in FY16)



# Key Policy Discussion: Facilities/Public Safety

- **Public Safety Firearm Range**
  - Required training
  - Partnership with Fairfax City, FY15 \$300K
- **Fire Service**
  - Facility upgrade
    - HVAC FY2015 \$250K
  - Continued inter-jurisdictional agreement discussions with Arlington County

# Key Policy Discussion: Facilities/Schools

- Long range planning
  - enrollment and system facility needs updated
- TJ ES construction completed, new HVAC need identified, \$2M
- Cherry Street Pre-school design underway
- MDES \$14.6M FY13-15, increased
- GMHS \$99.5M FY15-16, need financing plan
- MEHMS \$5M FY17, need financing plan
- Referendum required for 3 school facility projects

# Key Policy Discussion:

## Transportation

- Numerous funded projects underway (see current project section, Tab 1)
- Projects right-sized to staff resources
  - Two projects delayed, grant funding risk
  - New funding implementation delayed
  - Request two FTE to utilize funding
- Develop transportation plan(s) to drive CIP
  - Transportation Comp Plan Chapter
  - Area Plans
  - Not Commercial & Industrial (C&I) Transportation Tax Overlay
  - Dedicated annual funding, minimum \$800K C&I equivalent

# Key Policy Discussion: Recreation and Parks

- **Recreation & Parks Advisory Board adopted**
- **Master park and HEH projects**
- **Open Space \$1.1M requires reappropriation**
- **Request for ongoing revolving funding options**



# Key Policy Discussion: Stormwater Utility

- **Watershed Management Plan adopted**
- **Ordinance, Enterprise Fund, Fee Structure, Credit Policy adopted**
- **Property Yard Storage Shed**
  - Chesapeake Bay requirements, recycling improvements, fines risk
- **Four-mile Retaining Wall Restoration**
- **Facility Reinvestment Funds:**
  - Water Quality Improvements (Chesapeake Bay)
  - Conveyance Infrastructure (Quantity- aging & small)

# Key Policy Discussion: Sewer Utility Projects

- **Infrastructure Focus**
  - Sewer line rehabilitation
  - Treatment improvements:
    - Arlington/Fairfax Wastewater plants
- **Sewer mainly debt financed**
- **Rate increases tied to CIP and reserve fund**



# Key Policy Discussion: Information Technology

- **Police Dispatch CAD/RMS upgrade and organization COOP, FY15 \$270K**
- **Current Active Projects:**
  - Dispatch phone required replacement
  - General government/school phone server upgrades
  - Library & Aurora House fiber expansion



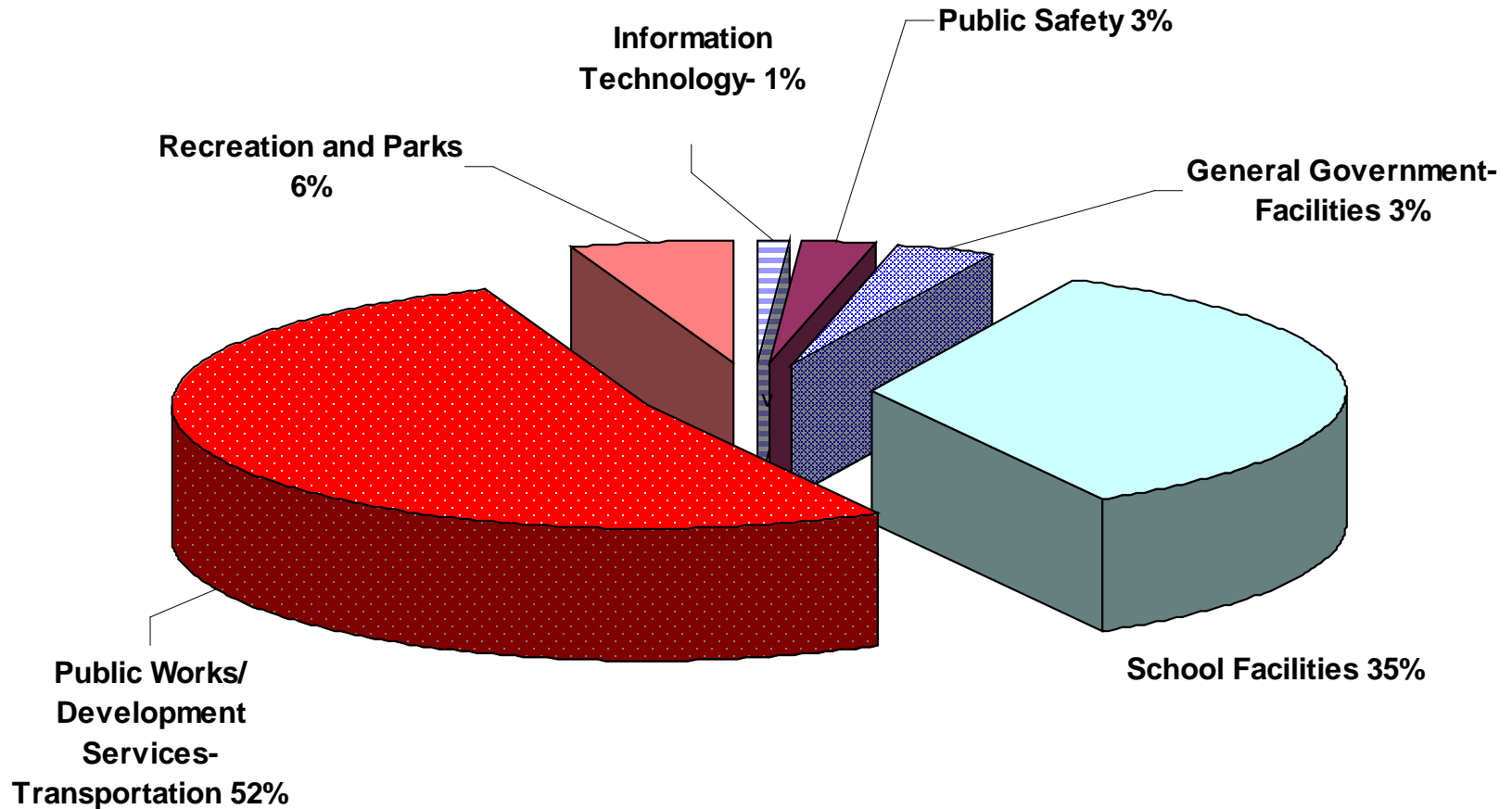
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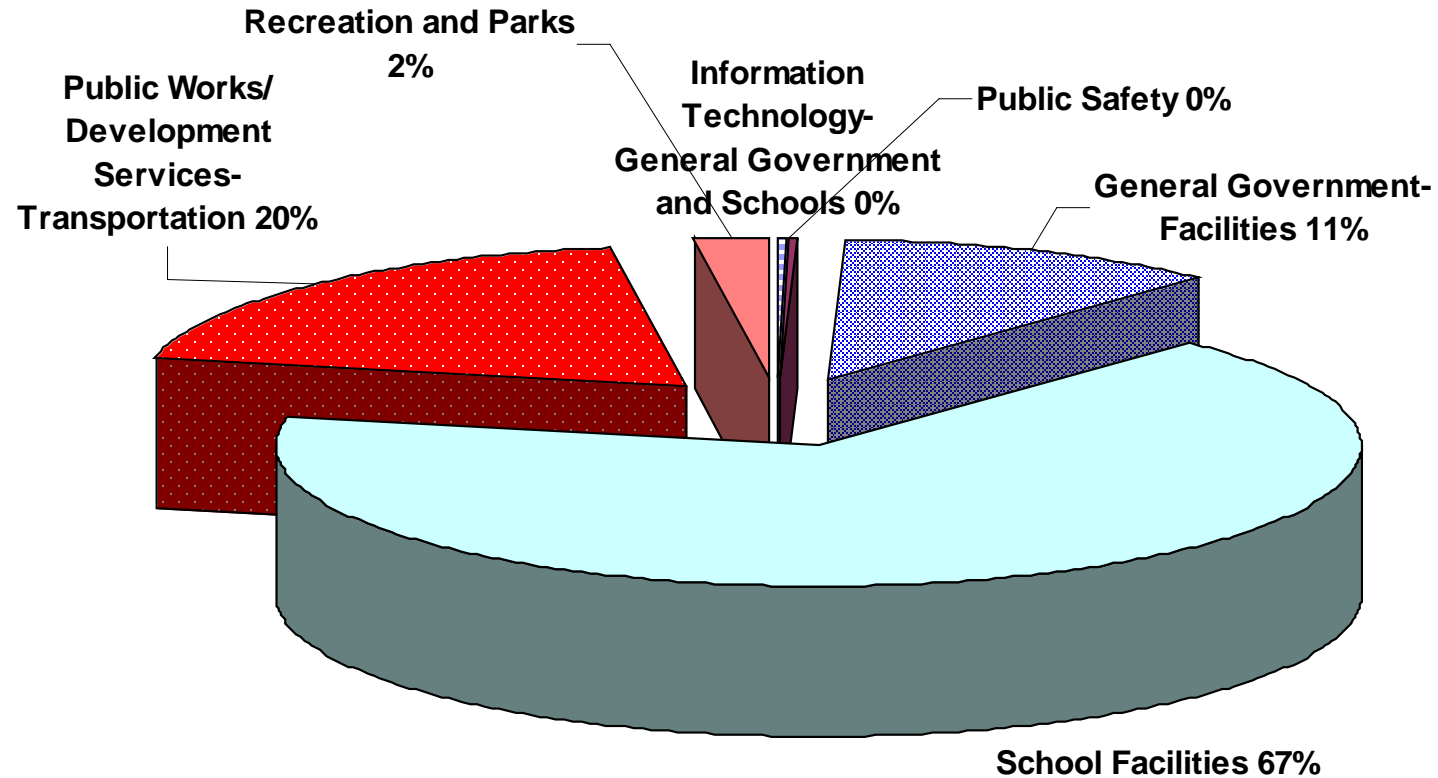
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## Capital Improvements Program General Fund FY2015-FY2019 (All Funding Sources)



# For Follow Up Information

- [www.fallschurchva.gov/budget](http://www.fallschurchva.gov/budget)

Budget

- [www.fallschurchva.gov/CIP](http://www.fallschurchva.gov/CIP)

CIP and General Govt. Master Plan

- Cindy Mester, Assistant City Manager

- (703) 248-5042 (711 V/TTY)
- [cmester@fallschurchva.gov](mailto:cmester@fallschurchva.gov)



# Questions & Comments

